App. F. IX-4

1931-2

File No. 20-31

Previous References

R. M 22-30 (1-4)
" 7-30 (2-3)
" 7-30-4

Later References

d. M

Serial Nos. 1

preserve

General and Revenue Secretariat.

Serial Nos. One

Part B for Year 31

SUBJECT.

Expenditure incurred by the D. M. Bank for a Social Gathering in connection with the 1st Annual meeting of the Bank.

Serial No.	
1	Letter no: 3872/CS dated 5-12-31 From the Regr of C.S. Forwards for information and Considerate a Copy of letter recd from the President of the Mysore Co-operative Land mortgage Bank bearing on the observation made by Govt in respect of the expe of Rs 200/- incurred the Bank on a Social gathering

1- The observation of Govt in regard to the expenditure of Rs 200/- incurred by the L-M Bank on a Social gathering was made in the interest of the Institution which is yet in its infant stage and in the prompting of a very good motive. The President of the Bank has received the remark with painful surprise and has put in a vigorous plea in justification of the expenditure.

2 Subd for kind orders with all references.

Signed
4/12

3 Evidently the President of the L.M.B. feels sore that Govt had not pointed out to him the necessity for being cautious the letter of first which has elicited the present reply of the President is flapped V. A kind perusal of it will show that no reflection on the Board was meant. It was ~~[illegible]~~ more a hint of advice to the Bank than anything else. The President feels that he is not trusted (Vide para

this letter to the Registrar). ~~[illegible]~~
is is not so. On the other hand Govt in their
olicitude for the welfare of the Bank where
; still in its infant stage and pointed out
ey felt should not have been done & this is
istaken & misunderstood also.

4 Since the President has requested the Govt
o place his representation before first for
consideration of his observations (vide pa
1 his letter) A reply is necessary.

~~[illegible]~~

8
15/

ev. Secy)

5. There is nothing personal in the letter
Secy to the Regr. (vide Flag V). The observation was
made in the best interests of the Bank. There is
no question of lack of trust in the Friends of the Board.
It is a pity that the Communication should have
been taken in a wrong light.

MK
21/12
21/12

6. I do not think
any reply is necessary

23/12/12
23/12
23/12
2/3/12

DEVELOPMENT BRANCH

L M 22-31-1

872 es
Ec 2--

DEPARTMENT OF CO-OPERATION
GOVERNMENT OF MYSORE.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

Telegraphic Address:
"CO-OPERT"
BANGALORE

Dated Bangalore, 7th December *1931.*

8th

D 2200

SECRETARY. 8 DEC 1931

GEN. & REV. SECRETARIAT DEV

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE, BANGALORE.

To
S I V 9/12

B.T. Kesaviengar, Esq., B.A.,
Secretary to Government, Development Department,
Bangalore.

Sir,

(V) Adverting to letter No.D.9776/L.M.22-30-4 dated 23rd April 1931 from the Chief Secretary to the Government of Mysore regarding the expenditure incurred by the Mysore Co-operative Land Mortgage Bank ... Social Gathering on 1st March 1931 in connection with the first genera meeting of the Bank, I have the honour to forward herewith a copy of letter No.S.I.133 dated 3rd October 1931 on the subject received from President of the Bank, for information and consideration of Government

I have the honor to be,

Sir,

Your most obedient servant,

K H Ramayya

Registrar.

Copy of letter No.S.I.133 dated 3rd October 1931 from the President, the Mysore Co-operative Land Mortgage Bank, Ltd., to the Registrar of Co-operative Societies in Mysore.

- - - - - - -

I have the honour to invite your reference to your memo No. 6072 dated 27/28th April 1931 forwarding for my information a copy of the Chief Secretary's letter to you No.D.9776 L.M.22-30-4 dated 23rd April, observing with reference to the expenditure of about Rs 200/- incurred by this Bank for a social gathering at the annual meeting of the Bank held on 1st March 1931, that an institution which is unable to meet its share of working expenses cannot afford to spend money on social amenities and that such expenditure may be avoided in future. As I have stated in my letter No.106 dated 23rd March 1931 to you, the expenditure referred to above was incurred in accordance with the resolution passed at the meeting held on 22nd November 1930 by the Board of Directors, who considered that a social gathering on the occasion of the first annual meeting of the Bank will not only appeal to the members of the Bank but would also bring the Bank to the notice of important members of the public and thereby serve as a sort of advertisement for it. A copy of the proceedings of the meeting was sent as usual to you as also to the Government. If the Government considered that the expenditure proposed to be incurred by the Bank over the social gathering was objectionable, they could have immediately communicated their views to the Bank. In the absence of any communication from the Government or yourself taking objection to the expenditure, it was presumed that the Board were within their rights in incurring it, particularly as it was met not from the Government grant but from the other funds of the Bank. I was the painfully surprised to receive your memo referred to above commun ing the observation of Government contained in the Chief Secretar letter.

2. You are well aware that with a view to reduce the expenditure on establishment and other charges of the Bank as far as possible, I have kept down the strength of staff as also their salaries much below the authorized scale and that I have been taking myself a good deal of the duties and responsibilities which should have devolved on a

highly paid Secretary. But for this scrupulous regard for economy, the expenditure on establishment alone would have been exceeded by more than ten times the sum of Rs. 200/- spent on the social gathering under advertenc and yet the Government have thought fit to take objection to this small expenditure and thereby imply their want of confidence in the judgment and discretion of the President and Board of Directors of the Bank.

3. If the principle embodied in the Chief Secretary's letter is to be strictly followed, it would be objectionable for the Bank to incur any expenditure on all social amenities or other similar items for many years to come till the Bank becomes self-supporting and is able to meet its working expenses fully without any help from Government. This will place the President and the Board in a difficult and delicate position as it would make it impossible for them to incur a trifling charge from the Bank even on such social amenities or acts of courtesy as the presentation of a garland or boquet to a distinguished visitor like His Highness the Maharaja of Travancore or His Highness the Yuvaraja of Mysore. I would urge for the consideration of Government whether, in view of the fact that the President of the Bank is a nominee of theirs and is expected therefore to be one in whom they have confidence, they could not trust him and the Board with a certain amount of latitude and discretion in the expenditure of the Bank's funds in the best interests of the institution without placing any galling restrictions on them of the kind contained in the Chief Secretary's letter or subjecting them to remarks calculated to cause unpleasantness and irritation.

4. I request you to be so good as to place this representation before Government with your support and move them for a reconsideration of their observations in the light of the facts set forth above.

5. I have to apologise for the delay in addressing this communication to you which was due to the fact that before doing so, I wished to place the Chief Secretary's letter before the Board of Directors and obtain their views thereon. It was accordingly placed before the Board at the meeting held on 5th September 1931 (which was their first meeting after its receipt); and this letter which embodies the opinion of the Board is

now addressed to you in accordance with the resolution of the Board, (a copy of which is herewith attached).

- - - - - -

Bangalore
7th Decr. 1931.

K H Ramaya
Registrar

Extract of resolution No.6 recorded at the meeting of the Board of Directors of the Mysore Co-operative Land-Mortgage Bank,Ltd., held on 5th September 1931.

6. Memo No.6072/C.S. dated 28th April 1931 from the Registrar of o-operative Societies, forwarding copy of letter No.D.9776/L.M. 2-30-4 dated 23rd April 1931 from the Chief Secretary to Government n the matter of the expenses of Rs 200/- incurred by the Bank for th ocial gathering on the occasion of the First Annual General Meeting eld on 1st March 1931.

"RESOLVED that a suitable communication be sent to overnment pointing out the circumstances under which the expenditur as incurred and bringing to their notice the difficulties that may e caused to the Bank by their decision".

x x x

"extract"

Sd/- K.R. Srinivasiengar,
PRESIDENT.

"copy"

Registrar.

Bangalore
7th Decr.31.